

**CHAPTER NO. 576**

**SENATE BILL NO. 2191**

**By Rochelle**

Substituted for: House Bill No. 2048

By Rhinehart

AN ACT To amend Tennessee Code Annotated, Section 45-5-403(7), relative to bad check charges imposed by industrial loan and thrift companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:


SECTION 1. Tennessee Code Annotated, Section 45-5-403, is amended by deleting subdivision (7) and substituting instead the following:


Registrants may also charge and collect from the borrower, through regular billing procedure or otherwise, a bad check charge as provided in §47-29-102 for any check, draft, negotiable order of withdrawal or like instrument drawn on a bank or other depository institution given by any person in full or partial repayment of a loan or other extension of credit if such instrument is not paid or dishonored by such institution, provided:

(A) Registrants may redeposit such instrument with such institution or return the dishonored instrument to the borrower or person to whom the credit was extended upon redemption of same; and

(B) Registrants may collect not more than one (1) bad check charge on any one (1) check.

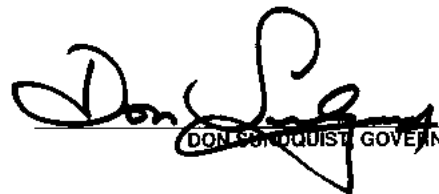
SECTION 2. This act shall take effect July 1, 1998, the public welfare requiring it.

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

PASSED: FEBRUARY 12, 1998

APPROVED this 25<sup>th</sup> day of February 1998

  
DON SUNDQUIST, GOVERNOR